

Small businesses throughout the country can expect new assistance from the health insurance reform bill to begin immediately. The bill, supported by Rep. Debbie Halvorson and signed into law on Tuesday, includes tax relief for small businesses to help them provide health insurance to employees. It also authorizes small businesses to pool together to lower premiums and administrative costs, beginning in 2014.

With 60% of America's uninsured - 28 million - being small business owners, employees and their families, this tax relief will help small businesses become more competitive by lowering the cost of purchasing health insurance benefits for employees. These provisions also help small businesses deal with the rise in premiums over the past decade, which have skyrocketed more than 130%.

Under the new legislation, businesses with 25 employees or fewer and less than \$50,000 in average wages are eligible for a tax credit that covers a portion of their health insurance premium costs, if the business covers at least 50% of the total premium cost for their employees. The tax credit goes into effect today, and is worth 35% of premium costs for small businesses with 10 or fewer employees and average annual wages of less than \$25,000. For businesses between 10 and 25 employees, the tax credit phases out gradually based on employee counts. ([USA Today, 3/22, top graphic](#))

Starting in 2014, the tax credit increases to 50% for small businesses with 10 or fewer employees and average wages below \$25,000. In 2006, approximately 76% of small businesses had fewer than 10 employees, and 86% of small businesses had fewer than 20. ([SBA Estimates](#))

"Throughout our district I have spoken with small business owners like Paul Cabay, who runs a construction small business in Joliet. He's written me about his struggles with providing for his family and employees because of the rising cost of health insurance," said Halvorson.

"These costs, which have risen almost 130 percent over the past decade, are a hidden health care tax on our small businesses. It means they are deciding between hiring and health care. I voted for health insurance reform for small business owners like Paul, who want to grow their business and create jobs, but simply can't because of rising costs. These reforms will help people like Paul, and help us continue our economic recovery."

Small business owners who were concerned about a mandate to provide health insurance are exempted from being required to offer coverage to their workers if they have fewer than 50

employees. For business over 50 employees that do not offer coverage, a fee significantly less than the cost of providing insurance benefits will be assessed based on employee counts. This provision does not go into effect until 2014, to allow for the creation of small business health option plans, which allow small businesses to pool together for lower premiums and administrative costs ([USA Today 3/23](#))

Over 14,000 small businesses in the 11th Congressional District are expected to qualify for tax credits. ([click here](#))

Text of the legislation and an explanation of how it benefits all Americans can be found on Halvorson's website by [clicking here](#) .